

**AUDIORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS TO THE
BOARD OF DIRECTORS OF TIRUPATI SARJAN LTD.**

1. We have examined the attached Consolidated Balance Sheet of Tirupati Sarjan Ltd. ("the Company") as at March 31, 2010 and the audited accounts of its subsidiaries as at December 31, 2009, the Consolidated Profit and Loss Account and Consolidated Cash Flow Statement for the period ended on that date annexed thereto, which we have signed under reference to this report (together comprising the "Consolidated Financial statements"). These Consolidated financial statements are the responsibility of the Management of the Company. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the Consolidated financial statements are free from any material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the Consolidated financial statements. An audit also includes, assessing the accounting principal used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We have not audited the financial statements of subsidiary, whose financial statements reflect total assets of Rs. 2867.42 lacs as at December 31, 2009 and total revenues of Rs.1460.57 lacs for the 12 months ended on that date as considered in the Consolidated financial statements. We have based our opinion in so far as it relates to amounts included in respect of the subsidiary on the basis of audited financial statements furnished to us by the Management of the Company.
4. We report that the Consolidated Financial statements have been prepared by the Company in accordance with the requirements of Accounting standard 21, Consolidated Financial statements, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of Tirupati sarjan Ltd and audited financial statements of its subsidiary Tirupati Development (U) Ltd included in the Consolidated financial statements.
5. On the basis of information and according to the explanations given to us and on consideration of separate audit report of Tirupati Sarjan Ltd and audited financial statements of its subsidiary , in our opinion, the Consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in case of the Consolidated Balance Sheet, of the consolidated state of affairs of Tirupati Sarjan Ltd are as at March 31, 2010 and its subsidiary for the year ended on December 31,2009 and

(b) in case of the Consolidated Profit and Loss account , of the consolidated results of operations of Tirupati Sarjan Ltd for the year ended on March 31,2010 and its subsidiary for the year ended on December 31,2009 and

(c) in the case of the Consolidated Cash Flow Statement, of the consolidated cash flows of Tirupati Sarjan Ltd for the year ended on March 31,2010 and its subsidiary for the year ended on December 31,2009.

Interest Disclosure : Mrs. Alka R. Shah an Independent director of the company is wife of Mr. Rajesh J. Shah, one of the partner of the auditor's firm.

**FOR RAJESH J. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS**

CA RAJESH J. SHAH
PARTNER

Firm Regn. No. : 108407W

PLACE : AHMEDABAD

DATE : 5th August, 2010

TIRUPATI SARJAN LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH 2010

PARTICULARS	SCH	AS ON 31/03/2010	AS ON 31/03/2009
SOURCES OF FUNDS :			
SHAREHOLDERS FUND			
a) Share Capital	1	60,010,000.00	59,412,000.00
b) Reserves & Surplus		123,519,140.24	91,160,298.48
LOANS FUNDS			
a) Secured Loan	2	126,821,576.17	76,231,015.11
b) Minority Interest	3	18,761,765.25	1,829,198.85
b) Unsecured Loan	4	72,527,917.81	75,435,068.99
TOTAL FUND EMPLOYED		401,640,399.47	304,067,581.43
APPLICATION OF FUNDS :			
FIXED ASSETS			
a) Gross Block	5	48,153,045.18	31,365,390.35
b) Depreciation		9,680,540.84	7,410,523.66
c) Net Block		38,472,504.34	23,954,866.69
INVESTMENTS	6	11,748,756.00	30,048,526.00
Foreign Currency translation difference		(408,994.99)	1,810,578.08
CURRENT ASSETS, LOANS AND ADVANCES	7		
a) Inventories		382,472,193.31	266,579,528.49
c) Loans & Advances		104,720,588.40	92,902,214.15
d) Cash and Bank Balance		30,228,111.87	14,510,561.04
e) Sundry Debtors		100,579,358.76	64,740,357.27
		618,000,252.34	438,732,660.95
Less : CURRENT LIABILITIES & PROVISIONS	8	266,172,118.22	190,479,050.28
NET CURRENT ASSETS		351,828,134.12	248,253,610.66
TOTAL FUNDS UTILISED		401,640,399.47	304,067,581.43

ACCOUNTING POLICIES & NOTES ON ACCOUNTS
As per our Report of even date attached

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FOR RAJESH J. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS

CA RAJESH J. SHAH
PARTNER

Firm Regn. No. 108407W

PLACE : AHMEDABAD
DATE : 5th August, 2010

FOR & ON BEHALF OF THE BOARD

BHAILAL B. SHAH
CHAIRMAN

CHANDRAKANT T. PATEL
MANAGING DIRECTOR

JASWANTBHAI K. PATEL
MANAGING DIRECTOR

JITENDRA I. PATEL
MANAGING DIRECTOR

NATUBHAI K. PATEL
MANAGING DIRECTOR

SOMBHAI J. PRAJAPATI
MANAGING DIRECTOR

PLACE : VISNAGAR
DATE : 5th August, 2010

TIRUPATI SARJAN LIMITED

CONSOLIDATED PROFIT & LOSS ACCOUNTS FOR THE PERIOD ENDED ON 31st MARCH 2010

PARTICULARS		SCH	AS ON 31/03/2010	AS ON 31/03/2009
INCOME				
A	Turnover	9	482,884,254.14	467,377,646.73
	Other Income	10	22,434,687.57	5,187,904.06
	Increase / Decrease in Stock	11	115,892,664.83	22,325,475.38
	TOTAL A		621,211,606.54	494,891,026.16
EXPENDITURE				
DIRECT EXPENDITURE				
	Construction / Raw / Packing Material		303,992,508.18	235,773,810.61
	Land for Development		29,358,574.00	58,451,286.36
	Finished Good Purchased		15,109,260.00	-
	Land Development Expenses		7,343,129.40	4,648,761.99
	Labour / Sublet Contract Expenses		63,674,079.63	73,491,443.14
	Freight & Octroi		16,080,285.95	8,881,448.58
	Import Duty		205,639.43	43,193.32
	Other		21,450,622.99	8117383.60
	Vat / Sales Tax Expenses		2,048,312.71	1,096,866.92
	Project Expenses On Site		32,335,549.94	19,116,177.67
OTHER EXPENDITURE				
	Administrative and Other Expenses	12	36,669,953.86	28,889,203.33
	Financial Expenses	13	40,745,275.08	14,416,983.10
	Depreciation	5	2,933,417.39	2,856,146.62
	TOTAL B		571,946,608.57	455,782,705.24
C	PROFIT BEFORE TAXATION		49,264,997.97	39,108,320.93
D	PROVISION FOR TAXATION		11,282,670.43	6,333,631.57
E	DEFERRED TAX LIABILITY		113,355.00	424,500.00
	PROVISION FOR FRINGE BENEFIT TAX		-	231,952.00
F	PROFIT AFTER TAXATION		37,868,972.54	32,118,237.36
	MINORITY INTEREST		100,056.50	1,758,702.22
	TRANSFER TO CAPITAL RESERVE		(330,229.39)	-
	PROFIT AFTER MINORITY INTEREST		38,099,145.43	30,359,535.14
G	PREVIOUS YEAR BALANCE		82,132,121.46	41,897,169.93
H	BALANCE CARRIED TO BALANCE SHEET		120,231,266.89	72,256,705.07
APPROPRIATION				
	GENERAL RESERVE		938,655.00	-
	INTERIM DIVIDEND - 6% (PREVIOUS YEAR - NIL)		3,542,640.00	-
	PROPOSED FINAL DIVIDEND		3,542,640.00	-
	TAX ON DIVIDEND		1,204,144.00	-
	SURPLUS / (DEFICIT) TO BE CARRIED OVER		111,003,187.89	-
			120,231,266.89	-

ACCOUNTING POLICIES & NOTES ON ACCOUNTS
As per our Report of even date attached

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FOR RAJESH J. SHAH & ASSOCIATES
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CA RAJESH J. SHAH
PARTNER

Firm Regn No. 108407W

PLACE : AHMEDABAD
DATE : 5th August, 2010

FOR & ON BEHALF OF THE BOARD

BHAILAL B. SHAH
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SOMBHAI J. PRAJAPATI
MANAGING DIRECTOR

PLACE : VISNAGAR
DATE : 5th August, 2010

PARTICULARS	AS ON 31/03/2010	AS ON 31/03/2009
SCHEDULE 1		
SHARE CAPITAL		
Authorised : 70,00,000 Equity Shares of Rs. 10 each	70,000,000.00	70,000,000.00
Issued, Subscribed and Paid -up 60,01,000 Equity Shares of Rs. 10/- each	60,010,000.00	60,010,000.00
Call in Arrears (Share Allotment Money)	-	598,000.00
TOTAL	60,010,000.00	59,412,000.00
RESERVES & SURPLUS		
General Reserves	1,394,482.00	455,827.00
Share Premium	4,830,000.00	-
Capital Reserve	581,500.00	-
Capital Reserve	6,464,535.35	93,728.36
Profit and Loss Account :		
Opening Balance	82,132,121.46	61,005,772.98
Add : Net Profit during the year	28,871,066.43	30,359,535.14
Balance in Profit & Loss A/c	111,003,187.89	91,365,308.12
Less : Deferred Tax Adjustments	754,565.00	754,565.00
TOTAL	123,519,140.24	91,160,298.48
SCHEDULE 2		
SECURED LOANS		
a) The Mehsana Urban Co.Op. Bank Ltd, Radhanpur Road Br. (Secured by fixed deposits)	902,554.00	1,352,734.00
b) The Bank of Baroda Loan Facility (Secured agsinst Legal Mortgage of Land in the name of Company, floating charge against all current and moveable assets of the company both present and future and Personal guarantee of, Jitendra Kumar Patel, Bhailal B. Shah, Bipin Patel and Harshad Barot)	105,960,702.44	54,792,030.11
c) HDFC Bank Ltd.	2,371,413.73	-
d) The Mehsana Urban Co. Op. Bank	371,308.00	-
e) ICICI Bank Ltd	386,752.00	1,803,594.00
f) Centurion Bank Ltd.	408,936.00	742,609.00
g) The Mehsana Urban Co.Op. Bank Ltd (c, d,e, f & g are Secured against Hypo. Of Vehicle Finance by them)	229,129.00	345,000.00
h) The Mehsana Urban Co.Op. Bank Ltd, Gunj Bazar Branch (Secured against Land S. No. 309, 2735, 2734/2, 2734/3 jointly owned in the name of Mr. Natubhai K. Patel and Mr. Somabhai J. Prajapati directors of the company and S. No. 425 in the name of Guarantor)	7,438,406.00	17,195,048.00
i) Kotak Mahindra Bank Secured Against Site machinery including Tripper and Dumper	8,752,375.00	-
TOTAL	126,821,576.17	76,231,015.11

PARTICULARS	AS ON 31/03/2010	AS ON 31/03/2009
SCHEDULE 3		
MINORITY INTEREST		
Share Capital	15,374,838.74	415,368.64
Reserves & Surplus :		
Profit & Loss Account	3,507,542.09	1,758,702.22
Foreign Currency translation reserve	(120,615.58)	(344,872.01)
TOTAL	18,761,765.25	1,829,198.85
SCHEDULE 4		
UNSECURED LOANS		
Loans from Directors and their relatives & Associates	52,323,279.81	47,417,675.31
Loans from Others	20,204,638.00	28,017,393.68
TOTAL	72,527,917.81	75,435,068.99
SCHEDULE 6		
INVESTMENTS IN SHARES		
Sardar Sarovar Narmada Nigam Ltd. (1 Bond of Rs. 1,000,000/- each)	1,387,624.00	4,036,134.00
Share of Mehsana urban co-operative bank (Unquoted 17,000/- Shares each of Rs. 25/-)	425,000.00	425,000.00
The Mehsana Urban Co.Op. Bank Ltd. (Unquoted 16,080/- Shares each of Rs. 25/-)	402,001.00	392,001.00
Rekvina Laboratories Ltd. (Quoted 2,01,400/- Equity Shares of Rs. 10/- each)	2,910,230.00	2,910,230.00
City Light Theater (Share Application Money)	2,580,139.00	2,580,139.00
INVESTMENT AS CAPITAL WHEREIN COMPANY IS A PARTNER		
Siddh Corporation	1,236,786.00	9,210,286.00
Bharat Pipe Industries	2,806,976.00	10,494,736.00
TOTAL	11,748,756.00	30,048,526.00
SCHEDULE 7		
CURRENT ASSETS LOANS & ADVANCES		
CURRENT ASSETS		
A. Inventories (At cost unless otherwise stated & as verified, valued and certified by the Directors)		
Raw Material	2,373,911.00	1,450,209.00
Land/Plots	32,275,713.03	14,338,899.72
Finished Goods	15,109,260.00	4,870,400.00
B. Construction Work in Progress (Uncertified At cost)		
Construction Work in Progress (Certified At cost)	28,835,818.07	35,482,683.00
TOTAL	303,877,491.21	210,437,336.77
TOTAL	382,472,193.31	266,579,528.49

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	1-Apr-09	ADDITION	SALE	31-Mar-10	1-Apr-09	ADDITION	WRITTEN BACK	31-Mar-10	31-Mar-09
LAND	327,414.33	-	-	327,414.33	-	-	-	327,414.33	327,414.33
BUILDING	-	-	-	-	-	-	-	-	-
OFFICE BUILDING	2,390,550.12	-	-	2,390,550.12	388,244.50	39,439.86	-	427,684.36	2,002,305.62
VEHICLES - CAR	15,109,437.36	5,649,314.69	2,646,059.44	18,112,692.61	3,095,537.58	1,670,851.45	663,400.00	4,102,989.03	12,013,899.78
FURNITURE & FIXTURES	1,822,433.46	1,936,551.60	-	3,758,985.06	841,780.59	180,242.60	-	1,022,023.18	980,652.87
OFFICE EQUIPMENTS	1,432,106.71	748,000.25	-	2,180,106.95	451,318.90	230,923.63	-	682,242.53	980,787.80
COMPUTERS ETC.	1,542,063.63	320,968.73	-	1,863,032.35	1,169,617.52	274,461.26	-	1,444,078.77	372,446.11
CONSTRUCTION & MFG. MACHINERY	8,196,794.75	10,778,879.00	-	18,975,673.75	1,333,684.68	535,527.38	-	1,869,212.06	6,863,110.07
AIR CONTIONER MACHINE	544,590.00	-	-	544,590.00	130,339.90	1,971.00	-	132,310.90	414,250.10
TOTAL	31,365,390.36	19,433,714.26	2,646,059.44	48,153,045.18	7,410,523.66	2,933,417.18	663,400.00	9,680,540.84	23,954,866.69

PARTICULARS	AS ON 31/03/2010	AS ON 31/03/2009
C. LOANS & ADVANCES (Unsecured and considered good) Recoverable in Cash or in kind for value to be received		
Advances to Suppliers	23,279,708.50	2,441,237.50
Deposits	41,313,144.00	27,329,571.22
I.T Refund receivable	296,175.34	1,357,253.17
Advance tax	2,391,928.87	908,618.90
Others Advances	37,439,631.68	59,593,207.29
Vat Receivable	-	1,272,326.06
TOTAL	104,720,588.40	92,902,214.15
D. CASH & BANK BALANCE Cash on Hand	7,425,138.80	4,820,686.61
Balance with Scheduled Banks In Current Accounts (Books over drawn)	16,817,077.53	5,148,176.67
Balance with Non Scheduled Banks In Current Accounts	5,985,895.54	4,541,697.77
TOTAL	30,228,111.87	14,510,561.04
E. SUNDRY DEBTORS	100,579,358.76	64,740,357.27
SCHEDULE 8 CURRENT LIABILITIES & PROVISION Sundry Creditors	155,195,008.42	73,592,208.50
Booking Advance (Net)	80,928,619.89	103,067,897.77
Deposits (Liability)	15,046,567.20	4,233,933.00
TDS Payable	1,987,585.95	920,096.95
Vat Payable	472,264.00	1,217,421.00
FBT Payable	-	231,952.00
Professional Tax Payable	32,740.00	28,580.00
Deferred Tax Liabilities	2,261,122.00	2,283,203.14
Proposed Dividend	3,542,640.00	-
Expenditure Payable	6,705,570.75	4,903,757.93
TOTAL	266,172,118.22	190,479,050.28
SCHEDULE 9 SALES Sales of Plots/Units/Land	172,150,111.35	213,572,449.80
Contracts Bills	125,193,141.00	146,748,738.00
Contracts Bills of Infrastructure Division	180,225,501.79	104,079,358.93
Development Income/Extra Work	5,315,500.00	2,977,100.00
TOTAL	482,884,254.14	467,377,646.73

PARTICULARS	AS ON 31/03/2010	AS ON 31/03/2009
SCHEDULE 10		
OTHER INCOME		
FDR Interest Income	1,838,360.00	1,536,667.00
Interest from R. F. Firm	-	1,278,060.00
Kasar & Discount	84,867.27	477,266.23
Rent Income	1,155,460.80	1,039,633.00
Interest Received	576,236.00	492,190.00
Dividend Received	118,800.00	88,800.00
Sundry Credit Not Payable	-	234,802.00
Interest From Subsidiary Company(Prior Period Interest)	14,281,417.00	-
Interest From Subsidiary Company	4,057,034.00	-
Interest on I.T. Refund	7,130.73	-
Excess VAT Provision Written Back	25,641.00	-
Income Booked F.Y. 09-10 of F.Y. 08-09	227,179.00	-
Other income	62,561.77	40,485.83
TOTAL	22,434,687.57	5,187,904.06
SCHEDULE 11		
INCREASE / DECREASE IN STOCK		
OPENING STOCK		
Land and Plots	14,338,899.72	14,401,241.61
Certified Construction Work in Progress	236,031,323.77	213,937,247.00
Construction Work in Progress at Cost	9,888,696.00	12,357,232.00
Finished Goods Stocks	4,870,400.00	1,720,000.00
Building Materials	1,450,209.00	1,838,332.50
TOTAL	266,579,528.49	244,254,053.11
CLOSING STOCK		
Land and Plots	32,275,713.03	14,338,899.72
Certified Construction Work in Progress	303,877,491.21	236,031,323.77
Construction Work in Progress at Cost	28,835,818.07	9,888,696.00
Finished Goods Stocks	15,109,260.00	4,870,400.00
Building Materials	2,373,911.00	1,450,209.00
TOTAL	382,472,193.31	266,579,528.49
INCREASE / DECREASE IN STOCK	115,892,664.83	22,325,475.38
SCHEDULE 12		
ADMINISTRATIVE EXPENDITURE		
Architectural work	215,634.51	243,572.87
Salary & Wages	7,022,146.05	4,116,146.28
Bonus	47,600.00	96,254.86
Office Expenses	834,752.23	1,085,892.09
Travelling Expenses	4,084,525.51	1,260,045.36
Printing & Stationery Expenses	462,666.50	424,203.89
Advertisement Expenses	622,138.00	2,731,373.68
Electricity Expenses	411,880.15	407,501.78
Telephone Expenses	1,009,559.27	1,009,886.34
Vehicle Repairs Expenses	711,517.01	328,528.86
Rent, Rates & Taxes	305,536.04	632,334.49
Providend Fund Contribution	229,738.00	228,957.00
Key Man Insurance Expenses	556,732.00	32,611.30
Tender Fees	531,680.00	185,898.00
Legal & Professional Fees	2,566,228.92	3,270,035.35
Auditors Remuneration	185,000.00	286,214.57
Stock Exchange Listing Fees	62,390.00	105,000.00
Staff Welfare	481,514.01	222,924.98
loss on Sale of Vehicle	588,391.00	1,038,861.59
Repairs & Maintainance	45,506.68	43,399.44
Other Expenses	15,694,817.97	11,139,560.61
TOTAL	36,669,953.86	28,889,203.33
SCHEDULE 13		
FINANCIAL EXPENSES		
Interest Expenses	37,160,823.09	11,996,516.62
Bank Charges	3,584,451.99	2,420,466.47
TOTAL	40,745,275.08	14,416,983.10

TIRUPATI SARJAN LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31st MARCH, 2010

PARTICULARS	CURRENT YEAR 31/03/2010	PREVIOUS YEAR 31/03/2009
CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit after tax	28,871,066.43	30,359,535.14
Adjustment for :		
Interest Paid	37,160,823.09	11,996,516.62
Depreciation for the year	2,933,417.39	2,856,146.62
Dividend received	(118,800.00)	(88,800.00)
Interest received	(20,760,177.73)	(3,306,917.00)
Loss on sale of Assets	953,819.44	1,073,237.52
Depreciation Written Back	-	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	49,040,148.62	42,889,718.90
Adjustment for :		
Inventories	(115,892,664.83)	(22,325,475.38)
Loans and Advances	(47,657,375.74)	32,365,399.87
Trade Payables	75,693,067.93	(86,065,361.03)
CASH GENERATED FROM OPERATIONS	(87,856,972.63)	(76,025,436.54)
NET CASH FROM OPERATING ACTIVITIES (A)	(38,816,824.02)	(33,135,717.64)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(19,433,714.26)	(8,631,630.80)
Dividend received	118,800.00	88,800.00
Interest received	20,760,177.73	3,306,917.00
Sale of fixed Assets	1,028,840.00	1,958,000.00
Investments Realised	18,299,770.00	10,224,689.00
NET CASH USED FROM INVESTING ACTIVITIES : (B)	20,773,873.47	6,946,775.20
CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Share Capital	598,000.00	-
Increase in Share Premium	4,830,000.00	-
Increase in Capital Reserve	581,500.00	-
Minority Interest	16,932,566.40	1,829,198.85
Dividend & Tax on Dividend Paid	(8,289,424.00)	-
Capital Reserve (Goodwill) on acquisition of Subsidiaries	6,370,806.99	93,728.36
Foreign Currency Translation Reserve	2,219,573.07	(1,810,578.08)
Increase/Decrease in Long Term Borrowings	50,590,561.06	46,982,934.70
Increase/Decrease in Unsecured Loans	(2,907,151.18)	(15,583,486.68)
Interest Paid	(37,160,823.09)	(11,996,516.62)
NET CASH FROM FINANCING ACTIVITIES : (C)	33,765,609.25	19,515,280.53
NET INCREASE IN CASH AND CASH EQUIVALENTS	15,722,658.70	(6,673,661.91)
CASH AND CASH EQUIVALENTS AS AT 1-4-2009	14,510,561.04	21,184,222.95
Effect of Exchange rate changes on cash balance	(5,107.87)	-
CASH AND CASH EQUIVALENTS AS AT 31-3-2010	30,228,111.87	14,510,561.04

AUDITORS REPORT

We have verified the above Cash Flow Statement of **TIRUPATI SARJAN LIMITED**, derived from audited financial statement for the year ended 31st March, 2010 and certify that in our opinion and according to information and explanation given to us the same in accordance therewith and also the requirement of clause 32 of the listing agreement with Stock Exchange.

As per our Report of even date attached.
FOR RAJESH J. SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS

CA RAJESH J. SHAH
PARTNER
Firm Regn No. 108407W

PLACE : AHMEDABAD
DATE : 5th August, 2010

FOR & ON BEHALF OF THE BOARD

BHAILAL B. SHAH JASWANTBHAI K PATEL
CHAIRMAN MANAGING DIRECTOR

CHANDRAKANT T. PATEL JITENDRA I. PATEL
MANAGING DIRECTOR MANAGING DIRECTOR

NATUBHAI K. PATEL SOMBHAI J. PRAJAPATI
MANAGING DIRECTOR MANAGING DIRECTOR

PLACE : VISNAGAR
DATE : 5th August, 2010

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010 AND THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED.**Schedule 12 :-****I. Significant Accounting Policies :****(i) Basis of Accounting:**

The Consolidated Financial Statements of Tirupati Sarjan Ltd ('the Company') and its subsidiary Tirupati Development (U) Ltd are prepared under historical cost convention in accordance with generally accepted accounting principles in India and Accounting Standard 21 on Consolidation of Financial statements, issued by the Institute of Chartered Accountants of India to the extent possible in the same format as that adopted by the Company for its separate financial statements.

(ii) Principles of Consolidation:

1. The Consolidated financial statements have been prepared on the following basis:

- The financial statements of the Company and its subsidiary has been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses.
- Intra group balances are eliminated and there are no other intra group transactions resulting in profit or otherwise.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.

(iii) Fixed assets and depreciation:

Fixed assets are stated at historical cost. Depreciation on Fixed assets has been provided on Straight line method at the rate and in the manner prescribed in Schedule XIV of the Companies Act, 1956 in case of the Company and in accordance with applicable laws in case of Subsidiary company.

(iv) Investments:

Investments are shown at cost. The capital contribution of the company in capacity of partner in a firm and any further addition or withdrawal has been shown as investment.

Any diminution or appreciation in the value of investment in subsidiary company has been accounted in goodwill account or capital reserve respectively.

(v) Foreign currency transactions:

The financial statements of the subsidiary have been converted into Indian rupees from Ugandan shillings (UGX) for the purpose of consolidation. Balance sheet items have been converted at the rate prevalent as on 31st December, 2009 which was 0.0260312 Re. /UGX and items appearing in the profit and loss account have been converted at an average rate which was 0.0264420 Re. /UGX, derived by taking average of the exchange rates prevailing as on 1st January, 2009 and 31st December, 2009. Exchange rate prevalent as on 1st January, 2009 was 0.0268528 Re. / UGX.

(vi) INCOME / EXPENSES:

Material known incomes and liabilities are provided for on the basis of available information / estimates with the Management.

From the Construction business income has been recognized during the year by certifying the work wherever significant work has been done. Construction work is certified on the basis of Installment due from the member for the work done visa-vis the stages of completion of work.

From the plotting scheme showing sale of plots on the basis of booking of plots after realization of full consideration has recognized income and balance plots are shown at cost as stock of plots for sale.

(vi) Taxes on Income:

Income tax is provided on the taxable income for the year as determined in accordance with the provisions of the Income tax Act, 1961 or applicable foreign tax law in case of foreign subsidiary.

(vii) Other significant Accounting Policies:

These are set out in and under "Notes forming part of Accounts for the year ended 31st March 2010" as given in the standalone financial statements of Tirupati Sarjan Ltd.

II. NOTES TO THE ACCOUNTS:

- 1) Mrs. Alka R. Shah who is independent director of the company, is a wife of Mr. Rajesh J. Shah one of the partner of audit firm.
- 2) Investments at the year-end have been physically verified, valued and certified by the management.
- 3) Closing stock of materials as on 31-03-2010 has been physically verified, valued and certified by the management and the same has been incorporated in the Balance Sheet.
- 4) In the opinion of the Board of the Directors and Management, the Current Liabilities, Unsecured loans, Current Assets, Loans and Advances the values at which they are stated in accounts, so realizable in the ordinary course of business, their confirmation/ reconciliation however are in arrears.

5) Segment Reporting

In accordance with Accounting Standard 17-“Segment Reporting” issued by the Institute of Chartered Accountants of India, the group (Company and its subsidiary) has determined its business segment as Construction activities and Tender division

A statement showing activity wise sales/revenue, expenditure , profit is as under:

Rs. In lacs			
Particulars	Construction business (including rental income)	Infrastructure Development	Total
Sales / Revenue	3026.59	1802.25	4828.84
Assets:			
Fixed Assets	251.09	133.64	384.73
Other Assets	5611.41	568.59	6180.00

6) Disclosure of Related Party transactions:

No	Particulars	2009-10	2008-09
1	Loan Received	380.73	219.54
2	Loan Repaid	523.83	205.04
3	Interest Paid	24.48	27.93
4	Interest Received	-	11.72
5	Professional Fees	2.06	1.85
6	Investment As Partner in Siddh Corporation	12.37	111.87
7	Investment As Partner in Bharat Pipe Corporation	28.07	97.96
8	Sale of Forfeited Share	25.71	-
9	Purchase	71.23	59.20
10	Director Remuneration	73.36	51.96
11	Rent Paid	1.14	1.14
12	Salary Paid	-	7.50
13	Labour Charges	3.24	5.35
14	Advances for land Purchase	13.50	9.58
15	Purchase of Finished Goods	151.09	-

- 7) The reporting period of the subsidiary is 12 months ended on 31st December, 2009.
- 8) The previous year figures as on 31.3.2009 are not comparable with current year figures as the previous year figures are of 18 months and figures from 1.1.09 to 31.3.09 have been reflected in current year figures as well as in previous year figures.
- 9) The transaction with the subsidiary company during the period of difference in reporting dates of both the companies have been incorporated in preparing consolidated financial statement.

10) Other notes forming part of Accounts:

These are set out in and under "Notes forming part of Accounts for the year ended 31st March 2010" as given in the standalone financial statements of Tirupati Sarjan Ltd.

For RAJESH J.SHAH & ASSOCIATES
CHARTERED ACCOUNTANTS

FOR AND ON BEHALF OF THE BOARD

CA.RAJESH J.SHAH
PARTNER

BHAILAL B.SHAH
CHAIRMAN

M. No. 040268
Firm Reg. No. 108407W

JITENDRA I. PATEL
MANAGING DIRECTOR

CHANDRAKANT T. PATEL
MANAGING DIRECTOR

SOMBHAI J. PRAJAPATI
MANAGING DIRECTOR

NATUBHAI K.PATEL
MANAGING DIRECTOR

JASWANTBHAI K. PATEL
MANAGING DIRECTOR

PLACE : AHMEDABAD
DATE : 5th August, 2010

PLACE : VISNAGAR
DATE : 5th August, 2010